

Message Text

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ACTION IO-14

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FM AMEMBASSY VIENNA

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E.O. 11652: N/A

TAGS: UNIDO, EAID,US

SUBJECT: UNIDO - THIRD SESSION PERMANENT COMMITTEE

1. SUMMARY: PC-III CONCLUDED EARLY HOURS DEC 11 WITH AGREEMENT ON PREPARATIONS FOR UNIDO-II. ITEM DISCUSSED BY CONTACT GROUP DAY, NIGHT EARLY MORNING HOURS THROUGHOUT WEEKEND WITH AGREEMENT REACHED AT ELEVENTH HOUR. ALL OTHER AGENDA ITEMS HANDLED WITH DISPATCH. CONSENSUS RESOLUTION ADOPTED ON UNIDO PARTICIPATION IN WORLD FOOD CONFERENCE AND NATURAL RESOURCES ITEM ONCE AGAIN POSTPONED (BOTH REPORTED SEPTELS). END SUMMARY

2. CONSENSUS EMERGED EARLY TO ACCEPT GROUP OF 77 MOVE CREATE INTERSESSIONAL MACHINERY (ISM) DESPITE DOUBTS LEGALITY OF SUCH MOVE EXPRESSED IN OPINION OF UN LEGAL ADVISER (OPINION, REQUESTED BY A-R, WAS NEGATIVE BUT COUCHED IN WHAT WAS CONSTRUED AS PERMISSIVE LANGUAGE.) GROUP OF 77 PROPOSAL THAT ISM BE CONFINED 11 MEMBERS (6 FROM GROUP OF 77, 3 FROM GROUP B, AND 2 FROM GROUP D) ACCEPTED WITH CAVEAT BY GROUP B THAT ITS UNDERREPRESENTATION AND GROUP D OVERREPRESENTATION NOT SET PRECEDENT FOR CREATION OTHER SUBGROUPS. ELEVEN MEMBERS CHOSEN ARE PERU, MEXICO, INDIA, MALAYSIA, NIGERIA, LIBYA, CZECHOSLOVAKIA, USSR, SWITZERLAND, USA
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AND FRG. AMBASSADOR JAIPAL (INDIA) CHOSEN AS CHAIRMAN. SUB-

COMMITTEE, WHOSE MEMBERSHIP MAY BE CHANGED AT SUBSEQUENT PREPARATORY COMMITTEE SESSIONS, CHARGED WITH REPORTING TO PC-IV AND TO PREPARE DRAFT RECOMMENDATIONS AND CONCLUSIONS FOR PC-V (DECEMBER 1974). IT AGREED THAT SECRETARIAT COULD USE POSSIBILITY OF FOUR MEETINGS BETWEEN NOW AND PC-V FOR PURPOSES OF CALCULATING MAXIMUM FINANCIAL IMPLICATIONS. ALL GROUPS AGREED, HOWEVER, THAT THERE WAS NO COMMITMENT TO ANY SPECIFIC SCHEDULE. (MORE DETAIL SEPTEL).

3. CONFERENCE DOCUMENTATION AND FINANCIAL IMPLICATIONS OF UNIDO-II PREPARATIONS SUBJECT OF HARD BARGAINING ENTIRE WEEKEND. IT FINALLY AGREED THAT DOCUMENTATION FOR UNIDO-II AGENDA ITEM 6 (DOCUMENTATION FOR ITEMS 7 AND 8 DISCUSSED ONLY IN PRELIMINARY FASHION) WILL BE DIVIDED INTO FOUR BASIC CATEGORIES: 1) AGENDA PAPERS (PROBLEM/ACTION ORIENTED); 2) IDS VOL VII; 3) INTERAGENCY PAPERS (I.E. JOINT UNIDO/FAO ETC.); 4) GOVERNMENT AND BACK-GROUND PAPERS. FIRST THREE CATEGORIES WOULD BE CIRCULATED TO CONFERENCE IN ALL OFFICIAL LANGUAGES WHILE LAST CATEGORY WILL BE AVAILABLE IN SECRETARIAT IN ORIGINAL LANGUAGE ONLY. LENGTHY AND TEDIOUS DEBATE OF DOCUMENTATION DUE TO (A) ISSUES RELATING TO SELF-HELP AND EXTERNAL FINANCING; (B) POOR SECRETARIAT PRESENTATION OF ITEMS AND WEAK ANSWERS TO QUESTIONING; AND (C) LDC DESIRE INCREASE REPRESENTATION OF LDC CONSULTANTS TO ASSIST IN PREPARATIONS.

4. FINANCIAL IMPLICATIONS UNIDO-II PREPARATIONS, INCLUDING ISM AND DOCUMENTATION, SUBJECT OF HARD BARGAINING BETWEEN GROUPS B AND D ON ONE HAND AND 77 ON OTHER, WITH FORMER TRYING TO PARE DOWN REQUESTS OF LATTER. FIGURE FINALLY AGREED TO BY CONSENSUS WAS \$260,000 FOR 1974 SUPPLEMENTAL ESTIMATE (A REDUCTION FROM \$767,000 INITIALLY PROPOSED BY GROUP OF 77) WHICH EXECUTIVE DIRECTOR WILL TRANSMIT TO UNSYG AS FOLLOW-UP TO FIFTH COMMITTEE DECISION NOV 27 (USUN 5343). US DEL STATED OBJECTIONS TO CERTAIN PROPOSED ACTIVITIES AND CATEGORIES OF EXPENSES AND RESERVED US POSITION ON OVERALL FINANCIAL IMPLICATIONS (SEPTEL).

5. THROUGHOUT WEKK-LONG DEBATE ON UNIDO-II PREPARATIONS IT WAS INTERESTING TO NOTE THAT OUTSPOKEN THIRD WORLD DELS, MAINLY SRI LANKA AND NIGERIA, DIRECTED THRUST OF REMARKS AGAINST SECRETARIAT, IN CONTRAST TO USUAL PRACTICE OF CONCENTRATING ON DONOR COUNTRIES. LIMITED OFFICIAL USE

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SECRETARIAT INVITED THIS BY GENERALLY INEPT PERFORMANCE WHICH PROMPTED PROBING QUESTIONS WHICH HANDLED LARGELY IN BUMBLING FASHION. THIS IN TURN SEEMINGLY AROUSED SUSPICIONS THAT SECRETARIAT NOT ADEQUATELY FULFILLING ITS CHARGE TOWARD LDC'S. THUS, WHAT APPEARED AS A-R TACTIC (HE WAS OSTENSIBLY FOR HEALTH REASONS RARELY PRESENT DURING MEETINGS) TO TRY TO KEEP SECRETARIAT AND HIMSELF FREE OF RESPONSIBILITY BY KEEPING SECRETARIAT GUIDANCE TO PC-III TO BARE MINIMUM MAY HAVE COST HIM MUCH GOODWILL VIS-A-VIS

HIS MAJOR CLIENTS. ALSO, A-R'S LATE-HOUR PERSONAL INTRODUCTION QUESTION OF LEGALITY OF ESTABLISHMENT ISM (SEPTTEL) FURTHER DAMAGED HIS IMAGE WITH LDC'S.

6. OUTCOME OF DISCUSSION ON COORDINATION ITEM WAS AGREEMENT IN GENERAL WITH OUR VIEW THAT CONSOLIDATED REPORT SHOULD NO LONGER BE PREPARED AND CIRCULATED AS AN OFFICIAL DOCUMENT AND THAT INFORMATION OF TYPE CONTAINED THEREIN SHOULD BE GATHERED ONLY FOR INTERNAL SECRETARIAT USE; FUTURE DOCUMENTATION ON COORDINATION SHOULD BE CONCISE, ANALYTICAL AND PROBLEM ORIENTED. SECRETARIAT RESPONSE TO CRITICISM WAS GENERALLY DEFENSIVE AND UNIMPRESSIVE.

7. INDUSTRIAL DEVELOPMENT SURVEY ITEM GAVE RISE TO USUAL RANGE OF REMARKS REFLECTING DIVERGENCE SOCIO-ECONOMIC VIEWPOINTS. SOME IMPORTANT DELS ECHOED OUR REMARKS THAT IDS WAS TOO LARGELY DESCRIPTIVE TO BE OF MUCH USE AS CONTRIBUTION TO REVIEW AND APPRAISAL. SECTION CHIEF RESPONSIBLE FOR IDS (EGYPTIAN NATIONAL) WAS FURNISHED COPY OF OUR DETAILED COMMENTS. HE LATER ADMITTED IN LENGTHY PRIVATE CONVERSATION THAT CRITICISM JUSTIFIED BUT OFFERED IN MITIGATION POLITICAL AND STAFFING CONSTRAINTS. PERUVIAN DEL, STRESSING NON-POLITICAL NATURE OF REMARKS, OBJECTED TO PUERTO RICO BEING GIVEN EQUAL STATUS WITH OTHER LA COUNTRIES. SECRETARIAT RESPONDED THAT INCLUSION OR EXCLUSION OF CERTAIN COUNTRIES IN GROUPINGS WAS GOVERNED BY CLASSIFICATION OF UN STATISTICAL OFFICE IN NEW YORK.

8. PROGRAM OF EXCHANGES AMONG LDC'S (SENEGALESE PROPOSAL) GAVE RISE TO UNANIMOUS PRAISE OF CONCEPT AND ACCEPTANCE OF SECRETARIAT'S INTERIM REPORT. IN RESPONSE OUR QUESTION, SECRETARIAT INFORMED PC OF 1-YEAR AGREEMENT WITH UNDP TO FUND PROGRAM WITH SIS MONIES AND THAT SOME OF \$3.5 MILLION FOR 1973 LIMITED OFFICIAL USE

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SIS PROGRAM UNSPENT AND WOULD BE MADE AVAILABLE FOR THIS PROGRAM. STIBRAVY

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Message Attributes

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